

SENATE BILL No. 134

January 31, 2007, Introduced by Senator SWITALSKI and referred to the Committee on Appropriations.

A bill to authorize the state administrative board to convey certain parcels of state owned property in Ingham county and Wayne county; to prescribe conditions for the conveyances; to provide for certain powers and duties of certain state departments and agencies in relation to the conveyances; to provide for disposition of revenue derived from the conveyances; and to provide for the release of certain reversionary rights held by the state.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. (1) Subject to subsections (5) and (6), the state
2 administrative board, on behalf of the state, shall convey to the
3 city of Lansing, for not less than fair market value as determined
4 under subsection (4), all or portions of certain real property now
5 under the jurisdiction of the department of management and budget
6 and located in Ingham county, Michigan, and more particularly

1 described as:

2 A parcel of land in Block #4 of Claypool's Subdivision and Block
3 #90 of the Original Plat of the City of Lansing, City of Lansing,
4 Ingham County, Michigan, containing part of Lots #1 and 2, and all
5 of Lots #3 and 4 of said Claypool's Subdivision and all of Lots #1,
6 2, 3, 5 and 6 of said Block #90 of the Original Plat of the City of
7 Lansing, more particularly described as beginning at the northwest
8 corner of said Block #4, Claypool's Subdivision; thence easterly
9 along the north line of said block 344.33 feet; thence southerly
10 parallel to the west line of said block 198.00 feet; thence
11 easterly parallel to the north line of said block 92.26 feet;
12 thence northerly parallel to the west line of said block 198.00
13 feet to the north line of said block; thence easterly along said
14 north line 140.92 feet to the northwest corner of said Block #90 of
15 the Original Plat; thence continuing easterly on the north line of
16 said block 161.21 feet to the east line of said block; thence
17 southerly along said east line 197.35 feet to the southeast corner
18 of Lot 3 of said block; thence westerly 159.26 feet on the south
19 line of said Lot 3 to the west line of said block; thence southerly
20 65.42 feet on said west line to the northwest corner of Lot 5 of
21 said block; thence easterly 158.61 feet on the north line of said
22 Lot 5 to the east line of said block; thence southerly on said east
23 line 132.44 feet to the south line of said block; thence westerly
24 on said south line 157.33 feet to the southeast corner of said Lot
25 2, Block #4 of Claypool's Subdivision; thence continuing westerly
26 178.75 feet on the south line of said block; thence northerly
27 parallel to the west line of said block 148.50 feet; thence

1 westerly parallel to the south line of said block 55.00 feet;
2 thence southerly parallel to the west line of said block 148.50
3 feet to the south line of said block; thence westerly on said south
4 line 348.74 feet to the west line of said block; thence northerly
5 on said west line 396.00 feet to the point of beginning, containing
6 5.87 acres.

7 (2) The description of the property in subsection (1) is
8 approximate and for purposes of the conveyance is subject to
9 adjustment as the state administrative board or the attorney
10 general considers necessary by survey or other legal description.

11 (3) The property described in subsection (1) includes all
12 surplus, salvage, and scrap property or equipment.

13 (4) The fair market value of the property described in
14 subsection (1) shall be determined by an appraisal prepared for the
15 department of management and budget by an independent appraiser.

16 (5) The department of management and budget shall take the
17 necessary steps to prepare to convey the property described in
18 subsection (1). The director of the department of management and
19 budget shall first offer the property described in subsection (1)
20 for sale to the city of Lansing or the Lansing economic development
21 corporation at not less than fair market value as determined under
22 subsection (4). The city of Lansing, or an entity formed by the
23 city of Lansing, has the first right to purchase the property for a
24 period of 180 days after the effective date of this act.

25 (6) If the property described in subsection (1) is not sold to
26 the city of Lansing pursuant to subsection (5), the department of
27 management and budget shall take the necessary steps to prepare to

1 convey the property using any of the following at any time:

2 (a) Competitive bidding designed to realize the best value to
3 the state, as determined by the department of management and
4 budget.

5 (b) A public auction designed to realize the best value to the
6 state, as determined by the department of management and budget.

7 (c) Use of real estate brokerage services designed to realize
8 the best value to the state, as determined by the department of
9 management and budget.

10 (d) Offering the property for sale for fair market value to a
11 local unit or units of government.

12 (7) The department of attorney general shall approve as to
13 legal form the quitclaim deed authorized by this section.

14 (8) The state shall not reserve oil, gas, or mineral rights to
15 the parcels of property conveyed under this section. However, the
16 conveyances authorized under this section shall provide that, if
17 the purchaser or any grantee develops any oil, gas, or minerals
18 found on, within, or under the conveyed property, the purchaser or
19 any grantee shall pay the state 1/2 of the gross revenue generated
20 from the development of the oil, gas, or minerals. This payment
21 shall be deposited in the general fund.

22 (9) All state agencies and departments shall provide full
23 cooperation to the state administrative board to facilitate the
24 performance of its duties, powers, and responsibilities and the
25 conveyance of property under this section. The state administrative
26 board may require a state agency or department to prepare or record
27 any documents necessary to evidence the conveyance of property

1 under this section.

2 (10) The net revenue received from the sale of the property
3 under this section shall be deposited in the state treasury and
4 credited to the general fund. As used in this subsection, "net
5 revenue" means the proceeds from the sale of the parcels of
6 property less reimbursement for any costs to the state associated
7 with the sale of the parcels of property including, but not limited
8 to, administrative costs, including employee wages, salaries, and
9 benefits; costs of reports and studies and other materials
10 necessary to the preparation of sale; environmental remediation;
11 legal fees; and any litigation related to the conveyance of the
12 parcels of property.

13 Sec. 2. (1) The state administrative board, on behalf of the
14 state, may convey by quitclaim deed for not less than fair market
15 value or, if subsection (5)(e) applies, for less than fair market
16 value, all or portions of certain state owned property now under
17 the jurisdiction of the department of corrections, commonly known
18 as western Wayne correctional facility, and located in Plymouth
19 township, Wayne county, Michigan, and more particularly described
20 as follows:

21 A parcel of land in the N 1/2 of section 20, T1S - R8E Plymouth
22 Township, Wayne County, Michigan, more particularly described as
23 beginning at the NW corner of said section 20; thence N89°50'10"E
24 2650.86 feet on the north line of said section to the N 1/4 corner
25 of said section; thence continuing on said north line S89°45'02"E
26 1319.14 feet; thence S01°03'21"W 2532.18 feet to the northerly
27 right of way of the Chesapeake and Ohio Railroad; thence along said

1 northerly right of way for the following four (4) courses:

2 1) 116.58 feet on a curve to the right with a radius of
3 2596.27 feet, a central angle of 02°34'22" and a long chord bearing
4 and distance of N56°44'27"W 116.57 feet

5 2) N55°27'04"W 1052.13 feet

6 3) 672.28 feet on a curve to the left with a radius of 3889.51
7 feet, a central angle of 09°54'12" and a long chord bearing and
8 distance of N60°24'17"W 671.45 feet

9 4) N65°21'16"W 2614.21 feet to the west line of said section
10 20; thence N00°05'01"E 447.57 feet on said west line to the point
11 of beginning, containing 127.27 acres, more or less.

12 EXCEPT a parcel of land described as commencing at the N 1/4 corner
13 of said section 20; thence S89°45'02"E 1119.14 feet on the north
14 line of said section to the point of beginning of this description;
15 thence continuing on said north line S89°45'02"E 50.00 feet; thence
16 S01°03'21"W 225.00 feet; thence S89°45'02"E 150.00 feet to the east
17 line of a parcel recorded at Liber 22436, Page 520; thence
18 S01°03'21"W 200.00 feet on said east line; thence N89°45'02"W
19 200.00 feet; thence N01°03'21"E 425.00 feet to the point of
20 beginning, containing 1.18 acres, more or less.

21 Subject to a 60-foot wide easement adjacent and parallel to the
22 west and north section lines for roadway purposes.

23 (2) The description of the property in this section is
24 approximate and for purposes of the conveyance is subject to
25 adjustments as the state administrative board or the attorney
26 general considers necessary by survey or other legal description.
27 The property described in this section includes all surplus,

1 salvage, and scrap property or equipment.

2 (3) The fair market value of the property described in this
3 section shall be determined by an appraisal prepared for the
4 department of management and budget by an independent appraiser.

5 (4) The department of attorney general shall approve as to
6 legal form the quitclaim deed authorized by this section.

7 (5) The department of management and budget shall take the
8 necessary steps to prepare to convey the property described in this
9 section using any of the following at any time:

10 (a) Competitive bidding designed to realize the best value to
11 the state, as determined by the department of management and
12 budget.

13 (b) A public auction designed to realize the best value to the
14 state, as determined by the department of management and budget.

15 (c) Use of real estate brokerage services designed to realize
16 the best value to the state, as determined by the department of
17 management and budget.

18 (d) Offer the property for sale for fair market value to a
19 local unit or units of government.

20 (e) Offer the property for sale for less than fair market
21 value to a local unit or units of government subject to subsection
22 (6).

23 (6) Any conveyance to a local unit of government authorized by
24 subsection (5)(e) shall provide for all of the following:

25 (a) The property shall be used exclusively for public purposes
26 and if any fee, term, or condition for the use of the property is
27 imposed on members of the public, or if any of those fees, terms,

1 or conditions are waived for use of this property, all members of
2 the public shall be subject to the same fees, terms, conditions,
3 and waivers.

4 (b) In the event of an activity inconsistent with subdivision
5 (a), the state may reenter and repossess the property, terminating
6 the grantee's or successor's estate in the property.

7 (c) If the grantee or successor disputes the state's exercise
8 of its right of reentry and fails to promptly deliver possession of
9 the property to the state, the attorney general, on behalf of the
10 state, may bring an action to quiet title to, and regain possession
11 of, the property.

12 (d) If the state reenters and repossesses the property, the
13 state shall not be liable to reimburse any party for any
14 improvements made on the property.

15 (7) The state shall not reserve oil, gas, or mineral rights to
16 the property conveyed under this section. However, the conveyance
17 authorized under this section shall provide that, if the purchaser
18 or any grantee develops any oil, gas, or minerals found on, within,
19 or under the conveyed property, the purchaser or any grantee shall
20 pay the state 1/2 of the gross revenue generated from the
21 development of the oil, gas, or minerals. This payment shall be
22 deposited in the natural resources trust fund.

23 (8) Subject to the state's right to reenter and repossess the
24 property under subsection (6), if a local unit of government
25 intends to convey the property conveyed under this section within 3
26 years after the conveyance from the state, the local unit of
27 government shall provide notice to the director of the department

1 of management and budget of its intent to offer the property for
2 sale. The department of management and budget shall retain a right
3 to first purchase the property at the original sale price, plus the
4 value of any improvements made to the property as determined by an
5 independent fee appraiser, within 90 days after the notice. If the
6 state waives its first refusal right, the local unit of government
7 shall pay to the state 40% of the difference between the sale price
8 of the conveyance from the state and the sale price of the local
9 unit of government's subsequent sale or sales to a third party.

10 (9) All state agencies and departments shall cooperate fully
11 with the state administrative board to facilitate the performance
12 of its duties, powers, and responsibilities under this section. The
13 state administrative board may require a state agency or department
14 to prepare or record any documents necessary to evidence the
15 conveyance of property under this section.

16 (10) The net revenue received from the sale of property under
17 this section shall be deposited in the state treasury and credited
18 to the general fund. As used in this subsection, "net revenue"
19 means the proceeds from the sale of the property less reimbursement
20 for any costs to the state associated with the sale of property,
21 including, but not limited to, employee wages, salaries, and
22 benefits associated with administrative personnel; costs of reports
23 and studies and other materials necessary to the preparation of
24 sale; environmental remediation; legal fees; and any litigation
25 related to the conveyance of the property.

26 Sec. 3. The state administrative board, on behalf of the
27 state, may release for less than fair market value the reservation

1 of aboriginal antiquities, including mounds, earthworks, forts,
2 burial and village sites, mines, and other relics, on, within, or
3 under the property located in the city of Detroit and recited on
4 the quitclaim deed between the state of Michigan and 1200 Sixth
5 street, LLC, recorded in liber 42965, page 77, Wayne county
6 register of deeds.